

Fiscal Services Division

Legislative Services Agency

Fiscal Note

HF 844 - Sales Tax Exemption on Coins, Currency, and Bullion (LSB 1511 HV)
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Fiscal Note Version - New
Requested by Representative Carmine Boal

Description

House File 844 provides a sales tax exemption on the purchase of coins, currency, and bullion sold to retail customers in Iowa. The change is effective July 1, 2005.

Assumptions

1. Iowa sales currently subject to the State and local sales tax is a minimum of \$7.3 million per year, based on limited information pertaining to:
 - a. American Eagle gold bullion set sales.
 - b. Sales at Iowa jewelry stores dealing in rare coins.
 - c. Sales of rare coins sold at Iowa pawn shops.
2. The State sales tax rate is 5.0%, and the State average local option tax rate is 1.2%.

Fiscal Impact

The coin, currency, and bullion sales tax exemption contained in HF 844 will reduce net General Fund revenue by a minimum of \$365,000 in FY 2006, and that minimum will grow by 3.0% per year.

The exemption will also reduce local option sales tax revenue by a minimum of \$88,000 per year.

Sources

Department of Revenue
United States Census Bureau data

Dennis C Prouty

April 12, 2005

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
